

21 93-7

DOCKET FILE COPY ORIGINAL

REC'D MASS MED BUS
MAR 23 1994
VIDEO SERVICES

MARCH 21, 1994

MR FRANK STILWELL
FEDERAL COMMUNICATIONS COMMITTEE
2033 M STREET NW - SUITE 406B
WASHINGTON, D C 20554

DEAR MR STILWELL:

RE: WARNER CABLE OF AKRON

MR G. V. WOOTON OF FAIRLAWN, OH. SUGGESTED I
CORRESPOND WITH YOU WITH REFERENCE TO WARNER CABLE
OF SUMMIT COUNTY, AKRON, OHIO, AND WHAT THEY ARE
DOING TO THEIR SUBSCRIBERS.

I AM ENCLOSING A COPY OF A LETTER ADDRESSED TO THE
AKRON BEACON JOURNAL; A COPY OF A LETTER TO THE
EDITOR FROM ANOTHER "HAPPY SUBSCRIBER", PLUS AN
ARTICLE THAT APPEARED IN THE AKRON BEACON JOURNAL
ON MARCH 19, 1994.

BY THE WAY, AFTER THIS SUPPOSED UPGRADING, TWO OF
THE SIGNALS WE WILL BE LOSING ARE C-SPAN AND
C-SPAN II.

DO YOU HAVE ANY SUGGESTIONS AS TO THE COURSE WE
CAN FOLLOW TO PUT A STOP TO THIS.

W Evanchek

WILLIE EVANCHEK
748 WOODSTOCK RD
AKRON, OH 44312
(216) 733-4102

WE:L

ENCLOSURES

March 10, 1994

Mr Fred Gerlich
AKRON BEACON JOURNAL
Akron OH 44328

Dear Mr Gerlich:

Re: Warner Cable

With reference to your phone call on Wednesday, enclosed are copies of two Warner statements; one prior to breakdown of various tiers, and one dated after. I hope this is what you need.

I can't understand how our elected officials allow a cable company to install a box on each TV and charge rental, making our cable-ready televisions and VCRs obsolete.

What we are really doing is paying to receive the signals into our homes and then we have to rent the boxes and remotes to actually watch our televisions.

I realize that the City of Akron has a contract with Warner and this involves a large sum of money up front. However, I feel since we are paying for this so called service, the people of Akron have a right to know just how much money is involved as well as just where it is going.

Sincerely

Willie Evanchek

WE:
enclosures

PS: Fred, I am attaching a copy of this letter omitting the first paragraph. Would you consider giving it to Letters to the Editor? Thanks for your cooperation.

Will Evanchek

CC: T SAWYER
J GLENN

REC'D MASS MTD BLD
MAR 23 1994
VIDEO SERVICES

MR WILLIE EVANCHEK
748 WOODSTOCK RD
AKRON OH 44312

EXTDA

Don't look to government to help lower cable rates

In reference to the March 8 article headlined "Akron council won't fight for lower Warner Cable rates" regarding Akron City Council's decision not to pursue legally the lowering of cable rates set by Warner Cable:

It doesn't surprise me that the City Council has taken that position.

When cable rates were increased twice last year, I started a one-man campaign with a letter to Warner Cable's Northeast Ohio division president, Stephen Fry.

All I received was some weasel words implementing rates per the new 1993 FCC rules and regulations, as set by the Cable Act of 1992.

My next step was to file a complaint with Federal Communications Commission in Washington. Those bureaucrats returned my complaint form because I didn't list all of the channels included in the service.

They didn't care that between 1989 and September 1990 the basic rate for standard-tier service increased 30 percent. I found these increases some-

what hard to take, since inflation has been running at 3 percent to 4 percent per year.

It doesn't take a genius to figure out that when your government negotiates on your behalf, you are going to lose.

Even our local franchise authority for the city of Akron isn't much use either. It never did respond to my complaint. It appears the cable companies have the politicians and government bureaucrats in their pocket.

Therefore, even if it is not needed to receive standard-tier service, the new converter box scam from Warner Cable is going to be forced upon us, at additional costs, so don't expect any help from your local or federal government.

But remember, when election time comes around again, you can get your licks in then. Eventually, maybe the politicians and government will get the message that the cable industry is eating our lunch.

N.E. FENSTEMAKER
Akron

Top Plusquellic aide leaves City Hall

• William Jasso resigns post as spokesman, speech writer for mayor to take public relations job at Warner Cable. He will temporarily avoid dealing with city matters

BY JIM QUINN
Akron Journal staff writer

The voice of City Hall is getting a new script.

William Jasso, a top assistant to Akron Mayor Don Plusquellic, is resigning from his \$49,500-a-

year post. As the city's official spokesman and speech writer for six years, the former radio reporter crafted much of the language used to explain city policy.

Jasso, 41, is returning to a public relations job with Warner Cable

at the exact time the company is facing public charges that it is inflating prices and pressuring consumers into buying services they don't want.

"I thought I knew what government was all about after covering

City Hall for five years," said Jasso, who went to work as a reporter for WHLO radio in 1973. He was news director when he left in 1981. "After I came over here I was shocked to find out how little I really knew. It isn't nearly as intriguing as I thought."

Jasso left broadcasting to become the director for public relations for Warner Cable's national

division, which was then based in Dublin, Ohio. In 1966, Jasso, a devoted golfer, became vice president of communications for the National Golf Foundation in Palm Beach Gardens, Fla.

He will leave City Hall next Friday exactly six years and one day after he became the first accredited public relations specialist hired by the city.



William Jasso is resigning his \$49,500-a-year post.

Jasso said his decision to accept the job with Warner Cable was made quickly and that it happened in the middle of the controversy over rising rates. He ac-

See JASSO, Page B4

JASSO

• Mayor's aide started career in broadcasting

Continued from Page B1

knowledgeed that the switch raises ethical questions about the timing of his departure. That's why he has decided to refrain — temporarily — from any dealings with the city. "I'm going to have a cooling-off period after I leave," he said.

Jasso helped influence Warner Cable's franchise arrangement with Akron in 1983 when he worked for the utility. He helped influence Akron's decision to franchise in 1983 while he worked for the city.

During the recent chorus of complaints about Warner Cable, Jasso served as the city's consumer ombudsman in charge of responding to citizen complaints. The mayor and members of the council relied on him to explain the intricacies of cable regulations.

He said these activities came to a sudden halt when he accepted the new job last week. A city attorney was given the ombudsman du-

ties and Jasso avoided contact with council members, who were unaware of his resignation until Friday.

Akron Law Director Miss Bethel reviewed the situation and said Jasso's situation didn't violate any ethics laws because Jasso never administered anything related to cable regulations in the city.

But Jasso said he knows the switch might look like he's giving Warner Cable influence in City Hall — and that's why he's voluntarily going to stay away for a while.

"The most valuable thing I have is my integrity," said Jasso, whose responsibilities will cover a district that includes Canton and Youngstown as well as Akron.

People who never heard Jasso's name heard his words in news releases, public ceremonies and Plusquellic's last five annual State of the City speeches. He authored the 1981, 1982 and 1983 ground-breaking ceremony for the National Inventors Hall of Fame.

As the mayor's writer, Jasso regularly exhorted Plusquellic to put a leash on his language. "You talked too long, again," he'd tell the mayor after press conferences. Sometimes he'd add this familiar Jassobian: "The guy asked you what time it was and you told him how to make a watch."

ET 93-7

487 N Revere Rd.

Akron, OH 44333-3907

3-28-94

DOCKET FILE COPY ORIGINAL

Mr. Frank Stilwell

FCC Staff Attorney

Washington DC 20554

Subject: Warner Cable of Akron, OH Service Change

Dear Mr. Stilwell:

Subject update is enclosed attached.

My son, Jeff, talked with John Wang by phone on Friday 3-25. He found it very interesting and helpful. Thank you very much, and thank John for me, also.

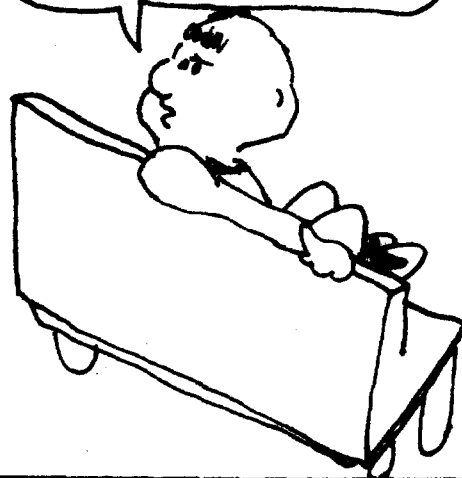
Sincerely yours

Gerald V. Watson

WEST SIDE LEADER - Fairlawn, OH
3-17-94

**WHAT'S THE WORST THING ON
TELEVISION? SEX? VIOLENCE?
DAYTIME TALK SHOWS?**

NO... THE NEW
WARNER CABLE
CONVERTER BOX



CONG MARKS



Akron City Council

Conflicting Legislation Puts Warner Cable In Catch-22

by Chad Arfons

At council's regular meeting Monday, an ordinance donating six building sites to Habitat for Greater Akron, Inc. was passed. The properties formerly were occupied by single family structures in such dilapidated condition they were infeasible to rehabilitate. The city acquired the property, relocated the families and demolished the structures. The non-profit Akron chapter of Habitat will begin construction on these lots this spring.

Despite a reprimand by Council President Dave Bryant for its unprofessional behavior in the past few weeks, council's meeting again took the tone of political campaigning.

After a heated debate, council passed a resolution requesting that Warner Cable suspend its cable system conversion until city and cable company officials resolve their problems.

At the urging of his constituents, Councilman Don Mittiga (W-2) proposed that the city complain to the FCC about Warner's move to new cable converter boxes. Currently, only Ward 2 is undergoing the system conversion.

Customers have complained that the new cable boxes, which come at a cost to customers, are not compatible with some cable-ready televisions.

Mittiga called the conversion an unnecessary and

excessive expense, saying it is a "disservice, not a benefit to customers in Akron."

Councilman Michael Williams (W-4) voted against the resolution. Although Williams said he is in favor of telling the FCC about the situation, he voiced his concern over the adversarial position council is taking with Warner Cable. Williams noted that mandating a meeting is unnecessary since Warner has made itself available for discussion. Additionally, Williams said, Warner is following FCC rules.

While the ordinance requests that Warner discontinue the service upgrades, council has no authority at this point to enforce a halt. Bryant suggested hiring an outside consultant to advise council on cable industry issues.

In an interview following the meeting, Bill Farmer, vice president of operations for Warner Cable, said the box would offer superior service to customers. He explained that agreements between the city and the company require Warner to add more services — services which require the new cable box. He stressed that Warner is attempting to answer the questions of the public and council.

Avis Boyd, director of community relations for Warner, has stated that the company is receiving conflicting messages from the city. On one hand, the company is

bound by an ordinance to provide services within a timetable, and on the other hand is asked to suspend work towards those service goals. She said that at this time the converter boxes, called home terminals, have been installed in 9,000 Akron homes and that 95 percent of the customers have said they enjoy the new services when interviewed by the company. The company does not intend to suspend the conversion, but will continue to be available to and work with council towards resolving the dilemma. Warner Cable will also continue meeting with customers to explain and install the home terminals.

The next regular meeting of council is March 28, 7pm.

City Council angry over cable boxes

- Warner is asked to halt rate hike pending study.
Councilmen suggest people bar installers from homes

BY JIM QUINN
Beacon Journal staff writer

Hostilities between the city of Akron and Warner Cable escalated Monday when the City Council passed a formal complaint about the utility and asked it to stop an unpopular rate hike until the dispute is resolved.

The battle comes after weeks of debate over Warner Cable's conversion to a new, upgraded system capable of more channels and new services. As each home is switched to the new system, the home gets a new converter box which costs an extra \$3.60 a month.

Warner Cable President Stephen Fry said the box is necessary to get improved service — which the city mandated. He said the monthly charge goes toward paying the \$180 cost of each box.

"I don't believe it," Councilman Don Mittiga, D-2, said.

Council members will try to hire an expert to see if the company's claims are true. One councilman urged residents to refuse to allow Warner Cable installers into their home.

"The voters are mad as hell,"

Mittiga said Monday. He told members, "They started in my neighborhood, but they are coming to your's next."

Mittiga's proposal passed 11-1, with only Councilman Michael Williams, D-4, voting no. "I don't like seeing us getting into an adversarial relationship with Warner Cable," Williams said.

But adversity was just fine with Councilman John Valle, D-at large. Valle said he would forbid installers from entering his home as scheduled next week, and he urged residents to do the same when the upgrade arrives in their neighborhood. He offered this tactic as a way to delay the unpopular new service.

The new boxes aren't compatible with cable-ready television sets, and after the conversion viewers have trouble taping one channel while viewing another.

"People are paying more and getting less," said Mittiga, who represents the section of Akron where the conversion began.

Council President David Bryant, D-7, said he wants the

See CABLE, Page B4

CABLE

- Politics influencing council's television fight

Continued from Page B1

council to hire an expert in cable regulations and technology to review the claims.

Bill Farmer, vice president of operations for Warner Cable, said the company will meet with city officials as soon as possible to discuss the impasse. "We don't see ourselves in an adversarial relationship here," said Farmer, explaining that the conflict stems from new federal requirements.

Two political realities help explain the council's sudden combativeness.

Several members said they were concerned about last week's announcement that mayoral aide William Jasso will return to Warner Cable. Jasso worked for the company before being hired by the city six years ago.

"This looks bad," said Council-

man Bruce Kilby, D-10, saying the situation points out a need for a code of ethics for public officials.

Jasso acknowledges that some citizens will suspect he's selling influence to the utility, so he pledged to refrain from dealing with Akron officials for a "cooling off" period after leaving City Hall March 25.

Also, Mittiga is waging a fierce battle to retain his seat on the council. Mittiga and former Councilman Warner Mendenhall are battling for victory in the May primary in Ward 2.

The battle became a lot more obvious over the weekend when campaign signs appeared. One of Mendenhall's signs was in the yard of former Councilman Dale Cantrell, who was forced from office last year after being convicted of operating an illegal bingo game.

Mittiga's complaint now goes to the Federal Communications Commission. He said he will try to persuade the council to use money from Warner Cable's franchise fee to hire a cable expert, and to see if there's a way to stop the conversion.

AKRON BEACON JOURNAL
3-22-94

Sending a message to Warner Cable

In reference to the March 15 article "Warner president defends new system," Stephen Fry says the city of Akron told him to build the system this way. I would like to see where the city told Warner Cable to scramble its signal so current cable-ready TVs and VCRs would be obsolete and not operate as designed.

Warner Cable is intentionally scrambling its signal so that we must use its converter box. I believe the reason is two-fold.

Warner Cable is trying to circumvent the legislation that allows its customers to use as many televisions as they like without any additional charges. If Warner Cable is allowed to do this, it will cost \$3.45 plus 15 cents for the remote for each TV (to watch anything other than channels 2 through 14).

Second, if we have Warner Cable's converter box, we will be more likely to use the pay-per-view option on an impulse instead of calling in advance to order movies or special events. This is added to the bill each month.

Fry would like us to believe that Warner Cable is improving our service. If that is so, why are we paying more for the same service? (Yes, Warner Cable has added a few channels for an additional 95 cents).

That does not allow us to watch any channel and record any channel at the same time, or allow us to use our picture in the picture-in-picture option, as we did before the converter box.

Those who are unhappy with this change should call their elected officials or tell Warner Cable that they want their basic service only, at \$8.75 per month. The loss of income to Warner Cable will make more impact than anything else.

GORDON REESE
Talkmadge

New cable-TV services should be optional

Nice try, Stephen Fry, putting the blame on Akron City Council and the FCC for Warner Cable forcing converter boxes on customers. Sorry, but I don't buy it.

I don't see other cable companies in the area following Warner's example.

So Warner wants to provide more services? Fine. Why not make it optional, such as Warner does for premium channels? Let those who want the new converter box have it, but let the rest of us use our cable-ready TVs and VCRs.

If Warner Cable insists on the converter box, this is one customer who will unplug the cable and hook up the antenna.

FRANK PHILLIPS
Stow

3-23-94

"VOICE OF THE PEOPLE"
AKRON BEACON JOURNAL
3-22-94

City tells Warner to roll back rates

• Wadsworth Council decides firm must drop monthly cable rate \$3.70

Beacon Journal staff report

WADSWORTH: The city of Wadsworth wants Warner Cable to roll back its rates — and adopted an ordinance Thursday night to do that.

City Council, in a special session, ordered that Warner roll back by \$3.70 the monthly rates for basic cable television.

The ordinance requires Warner to reduce its current rates and make refunds to subscribers back to Sept. 1.

The action was welcome news to Akron City Councilman Don Mittiga, D-2, who is trying to stop Warner Cable from charging for a two-way interactive terminal that Warner says is needed for customers to obtain channels beyond basic service.

In fact, Mittiga wants Warner Cable to do away with the new terminal. He said he also would try to reduce the basic service fee in Akron if Warner does not eliminate the new terminal.

Wadsworth was certified as a regulator by the Federal Communications Commission and can regulate fees for basic cable service and equipment. Mittiga said Akron also has the authority to regulate the basic service fee.

Cable customers in Wadsworth pay \$13.55 a month for basic service, including community service and franchise fees.

The legislation sets the monthly

CABLE

• Akron councilman also seeks to take action

Continued from Page C1

rate at \$9.85 and says the community service fee is not justified and is inconsistent with federal rate regulations.

Bill Farmer, vice president of operations for Warner Cable, protested the rollback.

Farmer said Warner's goal is to move beyond this issue and to provide new services to Wadsworth customers.

Warner can appeal the decision to the FCC and ask for a stay which, if approved, would keep the rollback and refunds from being implemented until a decision is made by the FCC.

Farmer said the FCC allows the expenses of providing a full-service studio to be passed on to subscribers.

Wadsworth does have a studio and three local access channels which provide local government, education, and public programming.

Wadsworth, also, like Akron, has a rate complaint with Warner concerning Warner's proposal to require the in-home, two-way interactive terminal at a \$3.45 monthly fee.

In addition to a complaint being

filed with the FCC, the city has put the fee proposal for the interactive terminal on hold and asked Warner not to collect it until a decision is made on whether it's reasonable.

Farmer said he could not comment on what Warner's next step will be until the company receives the complete content of the Wadsworth legislation.

The Akron City Council on Monday adopted a formal complaint about Warner and asked the company to stop charging \$3.45 (plus 15 cents for a remote) for the new interactive terminals.

Warner officials have said the new terminals are necessary to provide more channels above the basic service. The terminals are not needed just for basic service.

Mittiga said Thursday night that if Warner does not reconfigure their system to eliminate use of the new device, then he would "ask for a hearing to review their basic rate, and I will ask that it be reduced in the amount for the use" of the terminal. In addition, he said he would ask for a rebate for those individuals who already have the new terminal and are paying for it.

Mittiga said the Wadsworth action "helps in the fight" against Warner. "The more support we get, the more messages are sent to Warner and the FCC" about the rate increase.

The Mogadore Village Council also has protested the fee for the interactive terminals.

Correspondent Beau Dusz contributed to this report.

AKRON BEACON JOURNAL
3-25-94

Converter boxes are great for Warner Cable profits

Several points need to be emphasized in the ongoing Warner-Cable-vs.-the-real-world battle.

My neighborhood was upgraded to the new system several weeks ago, even though we are not scheduled to be brought on-line until May.

But I made an amazing discovery: As the Warner folks added the new stations to the system, they weren't always quick about scrambling the signal.

I had the Weather Channel for three weeks (position 55), I still have C-Span on 47 and BET on 54. So, despite saying that we need these converter boxes to receive this "improved" service, the truth is simply that we need these converter boxes to improve Warner's profit-and-loss statement.

Second, all the articles we see refer to the \$3.45 increase for converter-box rental. We need to remember that this is for each television hooked to a cable.

If you are a typical, multi-television household, it won't take long for the converter rental to add up to more than the cable service itself.

The government says that the cable signal (along with our phone signal) belongs to us once it enters our home.

These converter boxes are simply a way for Warner Cable to recoup lost income from this ruling. If it doesn't bother the phone company, why does it bother Warner Cable?

I believe that those people willing to pay for easy pay-per-view access should be able to get it.

But I also believe that those of us who don't want this extra service should be able to buy service comparable to what we get now at a price similar to what we're paying now without converter boxes if our TV set-ups don't require them.

Anything else is a thinly disguised strategy to force rate hikes on Warner Cable's part.

Let's not just sit here. Let's get on the phone and let our City Council representatives know how we feel.

There are plenty of cable companies around. How about a little competition?

JAMES R. BELTZ

Akron

Viewer's goodbye to Warner Cable

So Warner Cable is paying \$180 per cable box? In a pig's eye. That may be the retail price for one, but Warner Cable is buying thousands. At that volume, you can bet that price would be cut.

Akron councilmen shouldn't let the company do this to the city and its residents. What Akron does decides the choices of surrounding cities.

I am determined not to accept an add-on box to my new, cable-ready, picture-in-picture television set. I can pick up the local basic channels with an antenna, and Warner can just kiss off.

My cable bill has doubled since I signed on, but the services surely haven't. I've had promises and increases and more promises. I'm ready to sign up with any competitor as soon as an alternative is available.

When I feel used and abused, I don't turn the other cheek. Bye, bye, Warner Cable.

NANCY L. BAILEY
Norton

Cable TV service: A matter of trust

It is inconceivable that any competent cable company would install equipment that is incompatible with cable-ready TV sets. The fact that the move was made without informing customers suggests a private agenda.

I agree with City Council that this decision should be investigated.

There is a time not far off when there will be a tug-of-war over just what company (or companies) will supply the communications needs of each home. We should be sure that we are not financing equipment for Warner to posture itself for this competition.

Warner by this deed has shown that it is not responsive to the welfare and needs of its customers and has cast doubt on its competence to be trusted with any further responsibility in the communications area.

FRANK PAKE
Akron

AKRON BEACON JOURNAL
"VOICE OF THE PEOPLE"

3-28-94

7% cable rate cut? We'll just wait and see

- FCC decreed reduction last month; no guarantee how that will affect users

BY JEANNINE AVERSA
Associated Press

WASHINGTON: Consumers demanded it, the Federal Communications Commission ordered it, but that's still no guarantee that bills for cable are about to fall.

The FCC decreed a cut in February, saying it would "bring prices down another 7 percent." But there's no guarantee that's what subscribers will see when the change is finally implemented.

That's because the FCC hasn't spelled out the formula that cable companies and local regulators must use to figure new rates. Additionally, rates depend on which services each subscriber takes.

The formula is contained in a

Cable rates and garbage will dominate City Council tonight. Story on Page C1.

CABLE

- It's anyone's guess when users will see price reductions

Continued from Page A1

rate order that the FCC is expected to issue this week. It is long overdue.

With so many details still in the air, cable companies have been thrown into chaos. Millions of dollars are at stake. Their bankers are jittery. And local regulatory authorities worry about what the new rules will do for consumers.

David Olson, director of the Portland, Ore., Office of Cable Communications and Franchise Management, said he doesn't expect all 140,000 cable subscribers in his city to receive a 7 percent reduction, no matter what the FCC said in its February announcement.

"The press releases announcing what the FCC is going to do (do) not always have a one-to-one relationship to reality," he said.

He noted that the FCC's first set of cable regulations, issued almost a year ago, sometimes resulted in rate increases — not cuts.

That won't happen this time, local regulators predict.

At the time, the FCC predicted bills for two-thirds of all cable subscribers would drop by as much as 10 percent.

Sixty-eight percent did, but — to the FCC's surprise and Congress' dismay — 31 percent of consumers got increases.

This prompted demands that the FCC revisit the rules. It did so, last month.

Susan Herman, general manager of Los Angeles' Department of Telecommunications, said she is uncertain about the impact on the 520,000 subscribers she oversees. And New York state cable regulator William Finneran, who oversees 3.9 million cable customers, shied away from predicting the outcome.

But Bill Squadron, president of a local regulators' lobby group called the National Association of Telecommunications Officers and Advisors, predicted "a significant percentage of consumers will see rates go down."

If the new FCC rules come off soon, Herman thinks consumers could see a drop in their bills by late summer or early fall. Olson thinks December is a surer bet.

And some consumers may have to wait longer. If cable systems appeal local rate decisions, the new rates won't take effect until the disputes are resolved.

Basic cable rates are regulated by cities, not the FCC, but they use the FCC's formula. The FCC regulates rates beyond the basic package only if consumers file complaints.

FCC officials predict the new rules will take effect in mid-May, dovetailing with May 15, the day when a freeze on cable revenues will be lifted.

Under the freeze, in effect nearly a year, cable rates can move up or down, but a system's monthly revenue has to stay the same. Cable companies say the freeze has cost them millions of dollars.

See CABLE, Page A4

AKRON BEACON JOURNAL
3-28-94

Cable debate revisited

• Rates, converter box
at issue as council meets
with company officials

BY JIM QUINN

Beacon Journal staff writer

The debate over cable television rates will rerun tonight in Akron City Council. Council members will get two new pieces of legislation aimed at Warner Cable, and officials with the company will meet with council members to talk about the growing conflict.

As promised during last week's explosive discussion over Warner Cable, legislation has been written to authorize hiring an expert to look at the utility's rising rates and its unpopular new converter box.

Council members say they need the expert to help them assess Warner Cable's claims that federal regulations and city demands for improved service forced them to use the system being installed gradually in Akron now.

Consumers have complained that the new system is more expensive and that the converter box is incompatible with cable-ready television sets.

The council is also getting legislation from Councilman Bruce Kilby, D-10, who wants to pass a resolution criticizing Warner Cable for the conversion and hard-sell business practices.

Before the council votes on any of this, however, members will meet at 5 p.m. with officials from the company to discuss their side of the tension between Warner Cable and City Hall.

Members will also find out the extent of damage from the March 5 explosion that temporarily shut down the city's incinerator.

ET 93-7

487 N. Revere Rd.
Akron, OH 44333-3907
March 16, 1994

DOCKET FILE COPY ORIGINAL

Mr. Frank Stilwell

FCC

Washington DC 20554

Subject: Warner Cable of Akron Ohio,
Service Change Update -

Dear Mr. Stilwell -

You may now have received some phone calls and/or correspondence from others on the Warner Cable problem. I enclose copies of the very latest news articles since my information package mailed to you - I hope you received it.

More - as follows:

1. Rocco Piscatti, 2865 Ft. Island, Fairlawn, OH 44333 (216) 864-2424
Just purchased cable-ready TV console costing many thousands of dollars - Now all up tight because he finds it - with 2 internal tuners is practically useless with Warner's new "up grade". I gave him your name and phone no. He may contact you
2. Fairlawn, OH, Mayor and Council members met 3-14-94 PM to

consider aspects of the Warner problem and what to do about them. They may contact you. Among their considerations are:

- a. Their filing as a rate controller
Does it help at all - what do they control, how to structure to do so, etc.
- b. Developing joint action group with officials of other affected area communities to have a united front in opposition to Warner Cable.
- c. Preparing and passing a public resolution (preferably jointly under b above) opposing Warner, ~~and~~ submitting it as a formal complaint to the FCC and employing it as an means to inform the general public of the problem (which Warner continues to stone wall and refuses to do) and associated municipal concerns.
- d. Take some form of formal action against Warner (jointly?) Perhaps in a court proceeding finding them in violation of various provisions of their Franchise Agreement involving perhaps the following:

- (1) Failure to provide quality service as agreed.
 - (2) Fraudulent practices - failure to disclose pertinent facts and information, misinformation and not making full disclosures regarding the impact of the changes.
 - (3) Interference with constitutional rights being imposed by the new system.
 - (4) Warner's failure to employ the best available technology to effect the change without adverse impact on subscribers receiving equipment.
 - (5) Potential for violation of individual privacy protected under the franchise agreement, but made possible by Warner's new interactive system.
- d. Obtaining a restraining order to stop further work by Warner until Municipalities have the opportunity to sort all of the issues out.

Well - that's it for now - Thanks for your continued help and interest,
More later - Best regards
PB. - Over 71

Gerald V. Watts

P.S. I forgot to mention -

TV-23 has now started to get into the picture - I understand they have contacted you - I am currently videotaping their presentations on the Warner problem and will send you a copy next week - after more is accumulated.

HU



Mike Keefe
The Denver Post
dcPIXion Posters

Warner president defends new system

• He says controversial converter box is necessary to give Akron the services that City Council demanded

BY JIM QUINN
Beacon Journal staff writer

Residents who came to the Akron City Council meeting to complain about Warner Cable's new, more expensive system got a new explanation for whom to blame.

Warner Cable President Stephen Fry said city officials told him to build the system this way even before federal regulators made similar requirements despite his warning that some con-

sumers would be upset.

Now it's too late to change, Fry said. "You've let me spend \$50 million on a technology you asked me to invest in," he told the council. "I had these same concerns."

Monday's debate involved a resolution by Councilman Don Mittiga, D-2, who wants the city to file a formal complaint about Warner Cable with the Federal Communications Commission. No vote is scheduled on the resolu-

tion, but about 30 consumers came for a heated, two-hour discussion Monday.

Residents using the upgraded cable system complained they are paying more for less.

Most people who testified complained about the higher rates. But several said the system's new high-tech features are confusing and don't work as well as the old system.

Residents like Bob Crossland of East Crosier Street complained that the new system is incompati-

See CABLE, Page B4

CABLE

• Councilman proposes sending complaint to FCC

Continued from Page B1

ble with expensive, cable-ready TV sets.

"I blew \$700 on a new VCR and \$500 on a cable-ready TV," said Crossland, adding that the equipment worked perfectly with Warner Cable's old system. But the new system requires a new converter box — which costs \$3.45 a month extra plus 15 cents for a remote control — and it sometimes prevents him from taping one program while watching another. "I can pound sand with their new equipment," Crossland said.

Mittiga said he sponsored the resolution because so many voters have complained about the new system. But Fry said the city helped cause this problem.

Fry said city officials requested that the new cable equipment work this way, and the city threatened to sue in federal court if he didn't comply.

Now the city is complaining about the system and asking for changes that aren't possible with the current equipment, Fry said.

For weeks, members of the council have complained that they don't have enough control over local cable service. Mittiga's resolution would send the city's complaint to the FCC as well as U.S. Rep. Tom Sawyer, D-Akron, and Ohio Sens. John Glenn and Howard Metzenbaum.

Mittiga, who is new on the council, said the city might have requested the additional services, but Warner did not have to develop a system that requires renting a converter box.

Fry said Akron officials demanded a long list of services that require the unpopular converter box.

Fry said new FCC regulations require most of the same things demanded by Akron officials, so most of these changes would probably have happened anyway.

Still, his version of events contradicts the repeated claims of officials like Council President David Bryant, D-7, who has said the city is being blamed for something it can't control.

"What we have now is exactly what council told us it wanted," Fry said.

AKRON BEACON JOURNAL 3-15-94

Last week it was all the fault of the FCC and the US Congress - all that Warner is doing is complying with "what they have mandated" - if heard Fry say it 2-28-94. J.W. Winton

Akron council committee to consider cable TV rate

Akron Ward 2 Councilman Donald L. Mittiga will introduce a resolution Monday urging city officials to file a formal complaint against Warner Cable with the Federal Communications Commission.

Mittiga said Saturday the resolution will be presented at the 2:30 p.m. meeting of the council's Public Utilities Committee.

He said he believes a large number of residents will turn out to express their disgust with the Warner Cable expansion that requires each television to be outfitted with a converter box and remote that cost an extra \$3.60 a month in rental for anyone getting more than basic cable service.

"My area of Akron is the first being equipped with it, and the

people are up in arms, particularly the senior citizens. Watching TV is a big part of their day," he said.

The Wadsworth City Council voted earlier to delay rate changes there for 90 days after receiving more than 100 complaints. The Silver Lake Village Council also has voted to file a complaint against Warner with the FCC.

Warner has acknowledged that some customers may dislike having to pay for the converter, but Warner officials said the box is necessary to provide a greater variety of channels and services.

In addition to the cost, customers also are upset because the converter box will prevent them from watching one channel while videotaping another.

AKRON BEACON JOURNAL 3-13-94

+

ET 93-7

487 N. Revere Rd.
Akron, OH 44333-3907
3-23-94

Mr. Frank Stilwell
FCC Suite 406-B
2033 M St. NW
Washington DC, 20554

DOCKET FILE COPY ORIGINAL

Subject - Warner Cable of Akron, OH Cable Service
Problem Update.

Dear Mr. Stilwell -

Enclosed are most recent news articles on subject problem. Looks like we may have won a couple with Tasso leaving (probably fired by Akron Mayor because he didn't deliver City Council) and Council's 11-1 vote against Warner. Also video tape of Akron TV-23 (ABC) local news cast 3-14-94 PM - no more since then on TV - Tape has both 6 PM and 11 PM versions - Note reporter's 6 PM quote of Pres. Fry's challenge of FCC was omitted from 11 PM report. More later - Thanks for your help and interest -

Sincerely yours
Gerald V. Abbot

Warner president defends new system

• He says controversial converter box is necessary to give Akron the services that City Council demanded

BY JIM QUINN

Beacon Journal staff writer

Residents who came to the Akron City Council meeting to complain about Warner Cable's new, more expensive system got a new explanation for whom to blame.

Warner Cable President Stephen Fry said city officials told him to build the system this way even before federal regulators made similar requirements despite his warning that some con-

sumers would be upset.

Now it's too late to change, Fry said. "You've let me spend \$50 million on a technology you asked me to invest in," he told the council. "I had these same concerns."

Monday's debate involved a resolution by Councilman Don Mittiga, D-2, who wants the city to file a formal complaint about Warner Cable with the Federal Communications Commission. No vote is scheduled on the resolu-

tion, but about 30 consumers came for a heated, two-hour discussion Monday.

Residents using the upgraded cable system complained they are paying more for less.

Some people who had complained about the high rates. But several said the system's new high-tech features are coming and don't work as well as the old system.

Residents like Bob Crossland of East Crosier Street complained that the new system is incompati-

See CABLE, Page B4

CABLE

• Councilman proposes sending complaint to FCC

Continued from Page B1

ble with expensive, cable-ready TV sets.

"I blew \$700 on a new VCR and \$500 on a cable-ready TV," said Crossland, adding that the equipment worked perfectly with Warner Cable's old system. But the new system requires a new converter box — which costs \$3.45 a month extra plus 15 cents for a remote control — and it sometimes prevents him from taping one program while watching another. "I can pound sand with their new equipment," Crossland said.

Mittiga said he sponsored the resolution because so many voters have complained about the new system. But Fry said the city helped cause this problem.

Fry said city officials requested that the new cable equipment work this way, and the city threatened to sue in federal court if he didn't comply.

Now the city is complaining about the system and asking for changes that aren't possible with the current equipment, Fry said.

For weeks, members of the council have complained that they don't have enough control over local cable service. Mittiga's resolution would send the city's complaint to the FCC as well as U.S. Rep. Tom Sawyer, D-Akron, and Ohio Sens. John Glenn and Howard Metzenbaum.

Mittiga, who is new on the council, said the city might have requested the additional services, but Warner did not have to develop a system that requires renting a converter box.

Fry said Akron officials demanded a long list of services that require the unpopular converter box.

Fry said new FCC regulations require most of the same things demanded by Akron officials, so most of these changes would probably have happened anyway.

Still, his version of events contradicts the repeated claims of officials like Council President David Bryant, D-7, who has said the city is being blamed for something it can't control.

"What we have now is exactly what council told us it wanted," Fry said.

3.16.94
Akron Beacon Journal A-8

Don't look to government to help lower cable rates

In reference to the March 8 article headlined "Akron council won't fight for lower Warner Cable rates" regarding Akron City Council's decision not to pursue legally the lowering of cable rates set by Warner Cable:

It doesn't surprise me that the City Council has taken that position.

When cable rates were increased twice last year, I started a one-man campaign with a letter to Warner Cable's Northeast Ohio division president, Stephen Fry.

All I received was some weasel words implementing rates per the new 1993 FCC rules and regulations, as set by the Cable Act of 1992.

My next step was to file a complaint with Federal Communications Commission in Washington. Those bureaucrats returned my complaint form because I didn't list all of the channels included in the service.

They didn't care that between 1989 and September 1993 the basic rate for standard-tier service increased 40 percent. I found these frequent rate increases some-

what hard to take, since inflation has been running at 3 percent to 4 percent per year.

It doesn't take a genius to figure out that when your government negotiates on your behalf, you are going to lose.

Even our local franchise authority for the city of Akron isn't much use either. It never did respond to my complaint. It appears the cable companies have the politicians and government bureaucrats in their pocket.

Therefore, even if it is not needed to receive standard-tier service, the new converter box scam from Warner Cable is going to be forced upon us, at additional costs, so don't expect any help from your local or federal government.

But remember, when election time comes around again, you can get your licks in then. Eventually, maybe the politicians and government will get the message that the cable industry is eating our lunch.

N.E. FENSTEMAKER
Akron

Warner tops list on tax delinquency

• Cable system denies it owes \$1.1 million to Summit County. Most money would go to schools

BY BOB SPRINGER
Beacon Journal staff writer

Warner Cable, which has sparked a firestorm by wanting to ding customers \$3.60 more a month for a converter box and remote, leads Summit County's list of delinquent taxpayers.

CABLE

• Company not required to pay taxes it disputes

"Courts have ruled that it's the homeowner's property. But the (state) Department of Taxation wants to assess it," Hanson said.

Because of the dispute, Warner since 1984 has paid only the personal property tax it believes is owed — an average \$600,000 a year, Hanson said.

Warner's outstanding tax bill — money that would mostly go to schools — could become an issue in the Akron City Council debate over the firm's system upgrade.

Because of the upgrade, a subscriber with more than basic service — channels 2 through 14 — will have to rent a converter box for \$3.45 a month, plus a remote control for 15 cents a month.

Many subscribers, especially those who have cable-ready TVs and videocassette recorders, are incensed by this forced converter rental. They also are angry that once the converter is hooked up, they no longer will be able to watch one station while recording another on their VCR.

Donofrio emphasized that Warner is within its legal rights in not paying the taxes it disputes.

But he and Hanson both acknowledged that if Warner looked like a tax scofflaw, that could sharpen City Hall fervor on the converter issue.

Akron Councilman Don Mittiga, D-2, has sponsored legislation castigating Warner. Mittiga's measure asks the city to lodge a complaint with the Federal Communications

The cable television system owes \$1.1 million — some from disputes with Ohio tax collectors dating to 1984, county Treasurer John Donofrio said Wednesday.

Warner contends it doesn't owe a dime. It says its fight is over how state auditors value corporate personal property.

On one issue, however, Warner and Donofrio agree: It takes the state Taxation Department too long to decide who's right.

"It's ridiculous to take three, four, five years and longer to reach a decision," Donofrio said. "In all fairness to Warner and everybody on that (delinquent taxpayer) list, they may not owe."

"But someone at the state needs to decide that. Schools need their money," he said.

Warner owes \$634,000 in personal property taxes, treasurer's records show. It owes \$63,000 in penalties on the delinquency and an additional \$411,000 in interest that has been piling up since 1989.

Paul Hanson, Warner vice president for finances, contends state auditors overvalued Warner's equipment, especially the cable it has strung above the ground.

Warner also disagrees that it owns the cable inside a customer's home or apartment, he said.

WHO IS OWED HOW MUCH

Here are the Summit County communities owed personal property taxes (including penalty and interest) by Warner Cable Co., which Warner disputes, and how much each is owed. The second column shows the school district affected, since schools get most of the property taxes collected.

Community	School	Amount
Akron	Akron	\$691,000
Barberton	Barberton	\$75,000
Cuyahoga Falls	Cuyahoga Falls	\$130,000
Fairlawn	Copley-Fairlawn	\$19,000
Lakemore	Springfield	\$9,000
Mogadore	Mogadore	\$18,000
Springfield Twp.	Springfield	\$36,000
Stow	Stow	\$89,000
Tallmadge	Tallmadge	\$54,000
Total		\$1,121,000

Source: Summit County Treasurer

Commission.

Others in the area, including Wadsworth and Silver Lake, have complained of Warner's plans.

"We're frustrated by the process, too, in terms of its slowness," Hanson said. "We'd like to have this resolved. . . . But we might be characterized as not paying our taxes and that's not true."

Warner is not the only company that disputes its personal property tax bill and so is categorized as delinquent. Eighty companies, including Warner, owe a little more than \$4 million, said Frank Servodio, chief of Donofrio's personal property tax division.

After Warner, Servodio said the

biggest delinquent taxpayer is Rick Case Motors. Case disputes a state finding that it owes \$702,000 in a tax fight that goes back to 1988.

Since last August, though, Case has been paying the county \$8,000 a month, Donofrio said.

The third biggest amount in dispute — about \$250,000 — belongs to Patrick Media Group, known for its outdoor billboards.

Unlike real estate taxes, a company is not required to pay personal property taxes it disputes, Servodio said. He said some firms, however, pay their entire bill and then appeal the disputed amount to begin the years-long process to resolve the matter.

Akron Beacon
Journal B-1
3-17-94

Top Plusquellic aide leaves City Hall

• William Jasso resigns post as spokesman, speech writer for mayor to take public relations job at Warner Cable. He will temporarily avoid dealing with city matters

BY JIM QUINN
Beacon Journal staff writer

The voice of City Hall is getting a new script.

William Jasso, a top assistant to Akron Mayor Don Plusquellic, is resigning from his \$49,500-a-

year post. As the city's official spokesman and speech writer for six years, the former radio reporter crafted much of the language used to explain city policy.

Jasso, 41, is returning to a public relations job with Warner Cable

at the exact time the company is facing public charges that it is inflating prices and pressuring consumers into buying services they don't want.

"I thought I knew what government was all about after covering

City Hall for five years," said Jasso, who went to work as a reporter for WHIO radio in 1973. He was news director when he left in 1981. "After I came over here I was shocked to find out how little I really knew. It isn't nearly as intriguing as I thought."

Jasso left broadcasting to become the director for public relations for Warner Cable's national

division, which was then based in Dublin, Ohio. In 1986, Jasso, a devoted golfer, became vice president of communications for the National Golf Foundation in Palm Beach Gardens, Fla.

He will leave City Hall next Friday exactly six years and one day after he became the first accredited public relations specialist hired by the city.

JASSO

• Mayor's aide started career in broadcasting

Continued from Page B1

knowledgeed that the switch raises ethical questions about the timing of his departure. That's why he has decided to refrain — temporarily — from any dealings with the city. "I'm going to have a cooling-off period after I leave," he said.

Jasso helped influence Warner Cable's franchise arrangement with Akron in 1983 when he worked for the utility. He helped influence amendments to the franchise in 1989 while he worked for the city.

During the recent chorus of complaints about Warner Cable, Jasso served as the city's consumer ombudsman in charge of responding to citizen complaints. The mayor and members of the council relied on him to explain the intricacies of cable regulations.

He said these activities came to a sudden halt when he accepted the new job last week. A city attorney was given the ombudsman du-

ties and Jasso avoided contact with council members, who were unaware of his resignation until Friday.

Akron Law Director Max Rothal reviewed the situation and said Jasso's situation didn't violate any ethics laws because Jasso never administered anything related to cable regulations in the city.

But Jasso said he knows the switch might look like he's giving Warner Cable influence in City Hall — and that's why he's voluntarily going to stay away for a while.

"The most valuable thing I have is my integrity," said Jasso, whose responsibilities will cover a district that includes Canton and Youngstown as well as Akron.

People who never heard Jasso's name heard his words in news releases, public ceremonies and Plusquellic's last five annual State of the City speeches. He co-authored the script for last year's ground-blasting ceremony for the National Inventors Hall of Fame.

As the mayor's writer, Jasso regularly exhorted Plusquellic to put a leash on his language. "You talked too long, again," he'd tell the mayor after press conferences. Sometimes he'd add this familiar Jassoism: "The guy asked you what time it was and you told him how to make a watch."

**William Jasso
is resigning his
\$49,500-a-
year post.**

Jasso said his decision to accept the job with Warner Cable was made quickly and that it happened in the middle of the controversy over rising rates. He ac-

See JASSO, Page B4

AKRON BEACON JOURNAL
3-21-94